

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

KAHLED ALATTAR

Plaintiff,

v.

SANO HOLDINGS, INC., et al,

Defendants and Third-Party Defendants.

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CIVIL ACTION NO. 4:14-cv-00266

DEFENDANT'S ORIGINAL ANSWER

Kevin Lisman ("Lisman"), Defendant, files the following Original Answer to Luxeyard's Cross-claims and Third Party Petition pursuant to the Federal Rules of Civil Procedure. All facts or assertions not expressly admitted are hereby denied.

Answer

I. Discovery Control Plan

1. This case has been removed from State Court to Federal Court. Rule 190.4 TRCP does not apply. A Federal Discovery Plan is being filed.

II. Parties and Service of Process

2. Admitted.
3. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
4. Admitted.
5. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
6. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
7. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

8. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
9. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
10. Admitted.
11. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
12. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
13. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
14. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
15. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
16. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
17. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
18. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
19. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
20. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
21. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
22. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
23. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
24. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
25. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
26. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
27. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
28. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
29. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
30. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

III. Jurisdiction and Venue

31. Admitted that the Federal Court has jurisdiction and venue due to the diversity of parties and Federal questions of law. Lisman denies having committed any tortious acts in the District, but admits to conducting business in the District.

IV. Facts

A. The nature of the Case

32. Denied.
33. Denied.
34. Denied.
35. Denied.
36. Denied.
37. Denied.
38. Denied.
39. Denied.
40. Denied.

B. The Creation of Luxeyard

41. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
42. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
43. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

C. Acquisition of the Shell Corporation

44. Lisman is without sufficient knowledge or information to form a belief, therefore denied.
45. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

46. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

47. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

48. Denied.

49. Denied.

50. Denied.

51. Denied.

D. Forging Unrestricted Shares

52. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

53. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

54. Denied.

55. Denied.

E. Inflating the LuxeYard Share Price

56. Denied.

57. Denied.

58. Denied.

59. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

60. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

61. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

62. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

63. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

64. Denied.

F. The Coordinated Selling of Luxeyard Stock

65. Denied.

66. Denied.

67. Denied.

68. Denied.

69. Denied.

70. Denied.

G. The Defendants' Previous Schemes

71. Denied.

H. The Defendants' Ongoing Conduct

72. Denied.

73. Denied.

V. Causes of Action

Profit Disgorgement Pursuant to Section 16(b) of the Securities Exchange Act

74. No responsive pleading necessary.

75. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

76. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

77. Denied.

78. Denied.

79. Denied.

Fraud and Conspiracy to Commit Fraud

80. No responsive pleading necessary.

81. Denied.

82. Denied.

83. Denied.

84. Denied.

Aiding and Abetting

85. No responsive pleading necessary.

86. Denied.

Unjust Enrichment

87. No responsive pleading necessary.

88. Denied.

Alter Ego/Piercing the Corporate Veil

89. No responsive pleading necessary.

90. Lisman is without sufficient knowledge or information to form a belief, therefore denied.

91. Denied.

Exemplary Damages

92. No responsive pleading necessary.

93. Denied.

94. Denied.

VI. Jury Demand

95. No responsive pleading necessary.

VII. Prayer

96. No responsive pleading necessary.

Respectfully submitted,

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Certificate of Service

This is to certify that a true and correct copy of the above and foregoing Defendant's Original Answer to Cross-Claims was forwarded by hand delivery, fax, certified mail, return receipt requested or regular mail on this the 5th day of March, 2014 to:

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